

97TH CONGRESS
1ST SESSION

H. R. 1526

To amend the Accounting and Auditing Act of 1950 to require ongoing evaluations and reports on the adequacy of the systems of internal accounting and administrative control of each executive agency, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 2, 1981

Mr. BROOKS introduced the following bill; which was referred to the Committee on Government Operations

A BILL

To amend the Accounting and Auditing Act of 1950 to require ongoing evaluations and reports on the adequacy of the systems of internal accounting and administrative control of each executive agency, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SECTION 1. This Act may be cited as the "Federal
4 Managers' Accountability Act of 1981".

5 SEC. 2. Section 113 of the Accounting and Auditing
6 Act of 1950, as amended (31 U.S.C. 66a), is amended by
7 adding at the end thereof the following new subsection:

1 “(d)(1) To ensure that the requirements of subsection
2 (a)(3) of this section are fully complied with, the head of each
3 executive agency which the Director of the Office of Manage-
4 ment and Budget determines to be covered by this subsection
5 shall prepare a report stating an opinion on the adequacy of
6 the agency’s systems of internal accounting and administra-
7 tive control by December 31, 1982, and by December 31 of
8 the succeeding year.

9 “(2) The reports shall be signed by the head of each
10 executive agency and addressed to the President. Such re-
11 ports shall also be made available to Congress and the public.

12 “(3) By December 31, 1981, the Comptroller General,
13 in consultation with the Director of the Office of Management
14 and Budget, shall establish a system of reporting and guide-
15 lines for the agencies in performing evaluations on their sys-
16 tems of internal accounting and administrative control. The
17 Comptroller General, in consultation with the Director, may
18 modify the system for reporting or the guidelines for
19 conducting the evaluations from time to time as deemed
20 necessary.

21 “(4) Internal accounting and administrative controls
22 shall be established in accordance with standards prescribed
23 by the Comptroller General, and shall provide reasonable
24 assurances that—

1 “(i) all obligations and costs were in compliance
2 with applicable law;

3 “(ii) all funds, property, and other assets were
4 safeguarded against waste, loss, unauthorized use, or
5 misappropriation; and

6 “(iii) all revenues and expenditures applicable to
7 agency operations were properly recorded and account-
8 ed for to permit the preparation of accounts and reli-
9 able financial and statistical reports and to maintain
10 accountability over the assets.

11 Any inadequacy or material weaknesses in an agency's sys-
12 tems of internal accounting and administrative control which
13 prevents the head of the agency from stating that the
14 agency's systems of internal accounting and administrative
15 control provided reasonable assurances that each of the ob-
16 jectives specified above were achieved shall be identified and
17 the plans and schedule for correcting any such inadequacy
18 described in detail.

19 “(5)(A) The Inspector General of an executive agency
20 or, if no Inspector General exists for an agency, the head of
21 the internal audit staff, shall receive and investigate any alle-
22 gation that an employee of the agency provided false or mis-
23 leading information in connection with the evaluation of the
24 agency's systems of internal accounting and administrative
25 control or in connection with the preparation of the annual

1 report on the systems of internal accounting and administra-
2 tive control.

3 “(B) If, in connection with any investigation under sub-
4 paragraph (A), the Inspector General or the head of the in-
5 ternal audit staff, as appropriate, determines that there is
6 reasonable cause to believe that false or misleading informa-
7 tion was provided, he shall report that determination to the
8 head of the agency.

9 “(C) The head of the agency shall review any matter
10 referred to him under subparagraph (B) and shall take action
11 under chapter 75 of title 5, United States Code, or such other
12 disciplinary or corrective action as he deems necessary.”.

13 SEC. 3. Section 201 of the Budget and Accounting Act,
14 1921 (31 U.S.C. 11), is amended by adding at the end there-
15 of the following new subsection:

16 “(k) The President shall include in the supporting detail
17 accompanying each budget submitted on or after January 1,
18 1982, a statement with respect to each department and es-
19 tablishment of—

20 “(1) the original amount of appropriations re-
21 quested by the Office of the Inspector General of such
22 department or establishment, if any;

23 “(2) the changes made in such request by the
24 head of such department or establishment prior to the

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1 submission of such request to the Director of the Office
2 of Management and Budget;

3 “(3) any further changes made in such request
4 prior to the submission of such Budget to the
5 Congress.”.

6 SEC. 4. Section 215 of the Budget and Accounting Act,
7 1921 (31 U.S.C. 23), is amended by inserting immediately
8 after the first sentence thereof the following new sentence:
9 “The head of each department and establishment shall in-
10 clude with any such requests for appropriations a statement
11 certifying that the request is based on an accounting system
12 that has been approved by the Comptroller General pursuant
13 to section 112 of the Budget and Accounting Act of 1950.”.

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